

The Watchman and Southron.

THE SUMTER WATCHMAN, Established April, 1880.

'Be Just and Fear not—Let all the ends Thou Alms't at be thy Country's, Thy God's and Truth's.'

THE TRUE SOUTHRON, Established June, 1866

Re-dated Aug. 2, 1881.

SUMTER, S. C., SATURDAY, OCTOBER 30, 1909

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Contracts for three months, or

longer will be made at reduced rates.

All communications which sub-

scribe private interests will be charged

for as advertisements.

Obituaries and tributes of respects

will be charged for.

OIL COMPANIES FINED.

Judge Callahan of Texas Places Two

Concerns in Receiver's Hands for

Anti-Trust Law Offenses.

Austin, Tex., Oct. 27.—Judge Cal-

lahan of the district court here today

entered an order assessing that Se-

curity Oil Company with penalties of

\$50 a day from July 23, 1903, to No-

vember 6, 1907, when an injunction

was issued, stopping alleged violation

of the anti-trust laws. The fine ag-

gregates \$75,000. The charter was

cancelled and the company perpetual-

ly enjoined from doing business in the

State.

The Navarro Refining Company was

penalized \$50 daily from October 13,

1907, to November 6, 1907, amounting

to \$1350. This charter was also can-

celled and the company ousted.

Guy Collett of Austin was appoint-

ed receiver for both companies with

instructions to advertise the proper-

ties for sale on December 7. A judg-

ment for \$40,000 against the Standard

Oil Company of Indiana will be en-

tered in garnishment proceedings

against the Gulf, Colorado & Santa

Fe Railroad.

A judgment of \$75,000 against the

Standard Tank Line Company will be

entered if the receiver can dispose

of the property in hand to pay the

debts.

First Woman in America to Fly in

Machine.

College Park, Md., Oct. 27.—With

her skirts tied tightly about her

ankles to keep them from fluttering

in the breeze, Mrs. Van Deman, wife

of Capt. Ralph H. Van Deman, 21st

Infantry, U. S. A., occupied the pas-

senger's seat beside Wilbur Wright

when he ascended in the govern-

ment's aeroplane here today. For four

minutes she experienced the sensation

of soaring in the air, sometimes as

high as 60 feet above the ground. This

was the first time a woman made an

ascension in a heavier than air ma-

chine in the United States, the Wright

brothers having resisted a multitude

of feminine importunities for aerial ex-

ursions.

"Oh," exclaimed Mrs. Van Deman

when she returned to the ground,

"now I know what makes the birds

sing!"

Leuts. Lahm and Humphreys had

so far progressed with their mastery

of the government's aeroplane today

that just before the closing of the af-

ternoon's work Wilbur Wright stepped

to the rear and allowed the two

officers to oversee all details prepar-

atory to the ascension. The officers

have progressed so far that Mr.

Wright today announced his intention

of abandoning them for several days,

allowing them to use the airship at

their discretion. The flights will con-

tinue here as usual.

The Profit in Advertising.

(Roanoke, Va., Evening World.)

Do business people generally appre-

ciate the value of advertising? If a

merchant has anything to sell, is it

not his first duty to let the public

know just what he offers? If goods

or articles of value are lost, will not

the advertising of the fact, with de-

scription of the lost article, aid in its

recovery? The value of such adver-

tising has been too often demon-

strated to admit of doubt now. Printer's

ink wisely used is the safest and sur-

est ally of the merchant, the manu-

facturer, the man who has any ar-

ticle of value of which he wishes to

dispose.

The man in business who cannot

afford to advertise will soon be out of

business. The daily newspaper is the

cheapest and most effective solicitor

for the person who uses its columns.

No man who has anything of value to

sell or who wants to buy anything not

easily found can afford to ignore it.

About 80,000 tons of dust and re-

fuse is taken away in barges from

London every year.

DISPENSARY COMMISSION.

COLUMBIA BANKER QUESTIONED
AT LENGTH YESTERDAY.

Attorney Felder Puts J. P. Matthews
Through a Gruelling Examination
In Regard to Dispensary Transac-
tions and Otherwise—Witness Of-
fers Five Thousand Dollars for
Proof That He Accepted Commis-
sions.

Columbia, Oct. 27.—From the line
of testimony that was entered into to-
day by the dispensary winding-up
commission it becomes apparent that
the affairs of the dispensary will be
investigated further back than the
last board's regime. There has been
a general criticism floating around the
State that the commission has under-
taken not to go into the details of
transactions earlier than the year 1906
and upon matters touching the board
of directors, of which Wylie, Rawlin-
son and Black were members. But
today's happenings tend to discredit
the rumor, and it begins to look as if
the commission's investigations, as led
by Col. Felder, will probe into many
interesting sidelights of the old dis-
pensary regime. How far this investi-
gation will proceed cannot be stated
at this time, but it certainly looked
today as if the foundation was being
laid for deep digging.

The names of H. H. Evans, the one-
time chairman of the board; L. J.
Williams, John Black, James Farnum,
Jno. T. Earley, the Fleischmann Com-
pany, E. H. Aull, formerly president
of the State Press Association; Editor
Koester, of the Evening Record, and
many others were brought into the
discussion this morning in the course
of the examination of Mr. J. P. Mat-
thews, a Columbia banker, who was
put on the stand today.

There were some matters either
brought out or hinted at that have
been touched on in connection with
the dispensary investigation before
and since the recent trials. The intro-
duction of John T. Earley into this
State was practically laid at the feet
of the bank cashier. Letters were
shown in which Mr. Matthews had
written to the Fleischmann Company,
telling this concern that he had met
with Mr. Earley and "understood that
he had made certain arrangements
here in reference to doing business
with the State of South Carolina in
selling whiskey to the dispensary." What
these "arrangements" were Mr. Mat-
thews avowed he knew nothing of,
and did not recall that Earley had
told him what they were.

Other interesting sidelights were the
questioning along the line that re-
called the now famous "haul" of Briggs
Wilson, when one of the men who was
interested in the situation is said to
have gone into Georgia to bring back
this person, who was charged with
having made the quarterly collections
of rebates and went away with them.

The "midnight fiasco," when \$200,-
000 or more was paid out in a jiffy,
\$5,000 being the consideration alleged
to have been given the members of
the board; the endorsement of notes
for members of the board and for
others interested in the whiskey
deals; the support of candidates for
election on the board; these and other
matters of the old State dispensary
system were touched upon today
in the examination of Mr. Matthews.

To most of the questions Mr. Mat-
thews replied that he did not recall
the circumstances. "I don't remem-
ber" was the expression oft repeated
by him today. The letters were his
own, he admitted, and even after
reading them, he could not recall the
information contained in the majori-
ty of them.

The point that was mostly stressed
by Col. Felder was a meeting that
was said to have been contemplated
by Sam Lanahan, of the firm of Wil-
liam Lanahan & Sons, Baltimore; L.
J. Williams, of the dispensary board
and J. P. Matthews. The letters in
reference to the meeting were in evi-
dence, and telegrams sent by Mr. Mat-
thews on the subject were on hand, but
Mr. Matthews could not tell what was
the object of this meeting, and con-
cluded also that it was never held.
There may be further light upon this
matter later.

In the course of the examination
Mr. Matthews, who is one of the best
known bankers in the State, and who
is held by all who know him to be
above reproach, constantly asked Col.
Felder the question if he charged that
he had received commissions for busi-
ness for the whiskey houses referred
to in the questions asked by the attor-
ney. At one stage Col. Felder said:
"If Mr. Matthews desires it I will tell
what my information is on that point.
I have not charged him with receiving
rebates. I am acting now in the ca-
pacity of an attorney and I do not be-

lieve in an attorney taking the part
of a witness and testifying while act-
ing in his professional capacity. But
if it is so wished, although I am not
desirous of telling what I am in-
formed, I will do so."

The point was not pressed, and it
was not told at the session today what
sort of information it was that Col.
Felder had. The statement was re-
peated several times and at the con-
clusion of the examination Mr. Mat-
thews said that he would pay the ex-
penses of the men who would come
here and testify that he had received
rebates or commissions on account of
the State dispensary matter. But Col.
Felder again stated that he had not
so charged, and the matter was drop-
ped. At another time, Mr. Matthews
said: "I will give you \$5,000 if you
can prove that I received commis-
sions." Some portion of this side-
light of the examination was conduct-
ed under rather tense circumstances
indicating just a tinge of excitement
on the part of the witness. Mr. Mat-
thews said he would give a great deal
to be able to clear up some of the
matters that had been brought to his
attention during the examination, and
that he was going to do so.

Mr. Matthews, who is cashier of the
Palmetto National Bank of this city,
the bank formerly being known as the
Palmetto Bank and Trust Company,
was placed on the stand just after the
commission had held a brief execu-
tive session, during the course of
which it was discussed as to whether
examination of Mr. Matthews should
be in open or secret session. During
the days of the State dispensary, as
has already been brought to the at-
tention of the public in the recent
trials, the Palmetto conducted con-
siderable business with the whiskey
men in this State. It was concerning
some of these transactions that Mr.
Matthews was questioned today.

In 1903 letters and telegrams were
written by Mr. Matthews to Baltimore
with a view, it appeared, of arrang-
ing an appointment at which should
be present Mr. Matthews, Mr. Sam
Lanahan and Mr. L. J. Williams, in
Baltimore. It is stated that this meet-
ing never was consummated, and that
something prevented the gathering of
these three men.

Why this meeting was to be held
Mr. Matthews says he does not recall,
but "it was not for the purpose of
making any deal to sell whiskey in
South Carolina." Witness at first did
not recall anything about the letters
shown him, and did not know why the
meeting was mentioned in the letters
and telegram.

Other matters drifted into during
the course of the questioning, and
about which Mr. Matthews testified
were endorsements of notes of E. H.
Aull and G. R. Koester, the latter be-
ing referred to by Col. Felder as the
editor of "the official organ of the
plunderbund." Witness did not re-
call the specific matters, but did know
that there were transactions in which
Mr. Farnum and those mentioned
above were interested. That Farnum
bought stock in Koester's paper.

Numerous letters were put in evi-
dence. One written December 18,
1904, contained the sentence: "The
writer knows as much as anyone
about the dispensary." This letter
was from J. P. Matthews to the Stan-
dard Distilling Company, and witness
explained that he did know about the
payments, etc., for which he looked
out in behalf of his customers at the
bank.

The note of J. M. Walker, a former
member of the legislature, was
brought up. This note was endorsed
by Black, and in the bunch of letters
was a notice to Major Black to "call
tomorrow and arrange to pay a part
of this note." Offers of cases of whis-
key were mentioned, but were not
stressed, as this was merely incidental
to the main issue.

In the election of John Bell Towill
witness said he did take part to the
extent of speaking to his friends, and
that he "perhaps wrote some letters.
I don't recall just now." A letter was
produced showing that he had writ-
ten: "I have spoken to quite a num-
ber of people. I am doing all I can."
A letter to Hub Evans said: "I am do-
ing everything I can for your elec-
tion," etc., etc.

A letter to Paul Garrett, the mak-
er of wines at Norfolk, the man who
sued the State of South Carolina in
connection with the claim against it
and upon whose bond witness went,
said: "There will be quite a shake-
up," and words to the effect that "you
are solid," and the "writer will be able
to do you more good than in the past."

Witness explained that he could not
say that the "do you more good than
in the past" meant more than to ren-
der such service as the prompt col-
lection of drafts, etc., such as came
in the course of the bank's business.

There was an item of \$1,200 to \$1,-
300 that was shown as having been
overpaid to Block, Briggs Wilson hav-
ing collected the money, Block claim-
ing it. Upon this transaction witness
did not recall making the statement
credited to him that "this committee
is in behind you and this committee
would have been delighted to get hold
of some things, I know on this transac-
tion," or words to that effect, the com-
mittee evidently referring to the in-
vestigation that was then going on by
the legislative committee.

That \$30,000 paid over by the Bern-
heims was asked about. Witness said
he read about it and had heard that
only \$15,000 of the money reached
this State. This is explained by the
contract with attorneys, no doubt, if
Mr. Matthews' information as to \$15,-
000 reaching this State is correct.

The examination of Mr. Matthews
assumed a wide range and Col. Fel-
der jumped from one matter to another
without apparently concluding one
subject. Of course there must have
been "method in this madness," but
it naturally makes the grasp of the in-
dividual matters referred to very
hard.

January 13, 1904, a letter to J. W.
Bernheim from witness stated that
there was quite a stir in dispensary
politics, and that "we would not like
for you or your firm not to be taken
care of in the way we think best." Witness
said he would do anything he
could to get the business represented
by this and other firms.

Touching the "appointment" at
Baltimore, the following extract was
read:

"There is quite a stir up here at
present in reference to the State board
of control, but I see no reason why
we cannot fill the appointment and
look out for our interests at both ends
of the line."

To this reading witness said: "I
never made any appointment." But
Mr. Matthews explained that possibly
Williams had suggested the meeting,
and that in consequence of this he
wrote to Baltimore suggesting, as the
letter showed, the meeting.

Witness had no idea what "both
ends" and "shake up" in the letter
meant. Nor could he tell why he was
to have gone to Baltimore. Later a
letter read: "Williams is sick and we
cannot come. The board will hold a
meeting Thursday. We may have to
wait until later."

Commissioner Patton asked witness
the direct question if he had ever re-
ceived any commissions. The witness
made the monosyllabic reply: "No."

Witness admitted that he supported
the "ticket" that was elected in 1906,
and that it was his friends that went
into the office of one board of dispen-
sary directors.

Witness had no knowledge of im-
proper relations between Earley and
Black, that he "brought none of them
together."

There was a little transaction about
which witness said he knew nothing,
but which is an interesting sidelight
of the dispensary doings. Towill is
said to have sent money back to W.
D. Roy, the whiskey man, when the
commission got in behind him. Be-
ing told of this matter witness said:
"I swear no man ever told me he re-
ceived rebates." He did not recall
having seen Roy and Towill together.

Coming down to a specific question
Col. Felder asked Mr. Matthews if he
recalled a transaction something like
this: Don't know the exact amount
involved, but W. D. Roy sold liquors
to the State board, and he gave cer-
tain commissions to John Bell Towill
for goods bought and not received
but shipped back. "Was the substance
of this transaction stated to you?"
asked Col. Felder of witness, who re-
plied that he may have but he did not
recall it, in spite of the fact that Col.
Felder put the question in the man-
ner that he makes so effective: "Sup-
pose both should swear that that hap-
pened."

The amount was either \$2,000 or
\$2,700, and witness did not know what
Towill told him he wanted with the
money when he came to the bank to
get it out. The inference from the
statement of Col. Felder was that the
\$2,000 or \$2,700 was returned to Roy
by Towill. It is a well known fact
that Mr. Roy has told some things in
connection with the dealings during
the dispensary regime.

February 6, 1904, witness wrote to
Fleischmann: "I have met your sales-
man, Mr. Earley. I understand that
he has made certain arrangements
here in reference to selling the State
board of control liquors for the dis-
pensary." It was upon these words
that much of the examination of Mr.
Matthews was based. The question
was: What was meant by "arrange-
ments." Of course, in the light of
what has been brought out concern-
ing the State dispensary it is now
known that these arrangements re-

ferred to the payment of rebates, etc.
But Col. Felder's object today
was to find out Mr. Matthews' knowl-
edge, if he had any at the time, of
the meaning of "arrangements" in
that letter. Witness persistently and
repeatedly declared that he did not
know now what he meant then, unless
it should mean the arrangements for
the getting of business. In fact, the
matter was not explained. Upon the
law as to the sale to the dispensary
Mr. Matthews stated that "he ought
to have been informed," and added:
"No man made statements to me as
to payment of graft." In this same
letter it was added: "And that we
shall have the pleasure of arranging
bond for your company, etc."

Q. Did not Earley come to South
Carolina, and was he not introduced
by you to your friends, and in con-
sideration of this the firm was to give
you their account?

Witness stated that he had not in-
troduced Earley that he recalled, and
that he did get the business of making
collections, etc.

Earley was sent down here just af-
ter the election of the board, of which
H. H. Evans was chairman, and John
Bell Towill and L. W. Boykin were
the members.

"What were those arrangements?"
Col. Felder asked again.

He added that this was written be-
fore the board actually met, and be-
fore there were any bids. "I don't
know," was the only reply of witness.

Q. You swear Earley didn't tell
you?

A. No, I couldn't swear.

"I would give considerable to know
what those words meant," said Mr.
Matthews.

Q. Did Earley tell you that he had
gone to your man and agreed to pay
commissions?

A. No, he never told me about
commissions.

In a letter to Paul Garrett witness
had written: "Everything looks nice
for our friends. The election comes
Thursday. Then the agony will be
over. We will be glad then to discuss
your affairs." Witness did not ex-
plain this letter, either. He said Gar-
rett never told him he paid commis-
sions.

That he did give the Carolina Glass
Company, the local concern, the bene-
fit of his "influence," witness admit-
ted. He did, he said, try to get mem-
bers of the board to buy from this
concern, in which he felt an interest.
That he would speak to his friends
on the board about the purchase of
glass, and did not think there was
anything wrong in this.

October 17, 1905, witness wrote to
Paul Garrett: "I have a small interest
in the Carolina Glass Company. I will
write you fully later and make it to
your interest to do business with this
company."

In reference to this, Mr. Matthews
said he had been considering purchas-
ing \$1,000 worth of stock in the glass
company, but later had decided not
to, that his "interest" consisted in his
friends' interests in the business. Mr.
Siebels was vice president of the bank.
The exact wording of the latter part
of the letter was: "Will make some
deal some time to make it to your in-
terest to do business with the Caro-
lina Glass Company. Will run up and
see you some time." Witness did not
explain exactly the "deal," but said he
meant he supposed that he would use
his influence locally for the firm, and
that they should buy glass of the local
glass company.

Just at this point Mr. Matthews in-
dicated that he was later going to
make a written statement in reply to
the questions that had been asked
him.

That Hub Evans had endorsed a
note of G. H. Charles for \$975 and
that about half of this was unpaid
was an astonishing little matter
brought out. Witness said he
"couldn't get anything" from the erst-
while member of the State board of
control. "Yes, they say he is worth
something, but we never could collect
on this note. It was charged to profit
and loss. No, we never sued him." This
last remark in reply to a ques-
tion. And Clody Charles had written:
"I would have been in a position to
meet my obligations if certain people
had carried out their promises with-
in the past ninety days."

Mr. Matthews did not know, he
said, of the famous Black transactions
via the Bank of Walterboro through
the local bank. All of this matter
was referred to and threshed out
thoroughly at the recent Black trial.

"We want now to get down to rock-

bottom," said Col. Felder, and again
he asked about the Fleischmann let-
ter, but met with the same result.

A letter of September 16, 1907, said:

"I will do everything I can in your
matter if you desire to go further with
Mr. Evans, and I will do my best to
advise you what to do. In reference

to the funds of a certain commission
your understanding is correct. You
will get a liberal payment."

A telegram had been received at the
bank from Clark Brothers to accept a
draft from C. W. Dudley, who has
figured in the whiskey matters con-
siderably. This draft was placed on
credit, but Mr. Matthews knew nothing
of the matter.

John McSmryl, of Camden, was
present today. Pointing him out, Col.
Felder asked witness if he had made
a \$25,000 loan to Mr. McSmryl, who
was of the McSmryl Distilling Com-
pany, and has a claim against the
State now. "Good gracious, no," said
the witness. Then Col. Felder related
that Mr. McSmryl had sworn that he
had sold the State whiskey that cost
more than \$1.47 for less than the to-
tal cost. Then a letter was read from
William Hull, a whiskey